

July 15, 2009

## REFORM OF INSURANCE INDUSTRY

There is a consumer protection law that applied to most businesses. I don't know the name of the law but it needs to apply in the case of insurance companies.

ALL OF THE PROBLEMS BELOW HAVE BEEN MY PERSONAL EXPERIENCE WITH TWO MAJOR CLAIMS THAT I HAVE HAD IN THE LAST THREE AND ONE HALF YEARS. ONE CLAIM IS THREE AND A HALF YEARS OLD AND THE INSURANCE COMPANY REFUSES TO TALK WITH ME. THEY OWE ME APPROXIMATELY \$17000 ON THIS CLAIM. (AROUND \$11000 BY THEIR OWN STATEMENT) ON MY CURRENT CLAIM I AM IN THE NEGOCIATION STAGE OF WHAT THEY ARE WILLING TO PAY. THIS SECOND CLAIM HAS NOT YET RUN INTO SERIOUS PROBLEMS BUT I AM CONCERNED THAT IT WILL NOT GO WELL. I WILL KNOW VERY SOON.

Adjusters have complete power over consumers and work for the insurance company.  
Conflict of interest

Insurance companies delay payout intentionally to earn interest on money as long as possible.

Insurance policies are vague with regard to consumer rights. My policy states that I cannot sue my insurance company (but if I do it has to be in the first year.) Major claims do not get settled in one year. Policies need to be much more defined.

Insurance companies write in their policies that consumer's only remedy is arbitration. This needs to change to allow them to be exposed to legal remedy like other businesses.

Insurance companies hold back money to force the insured to accept the amount of the claim they chose to pay. This is abuse of power and coercion.

Insurance companies hold back money even though they know it is owed. They need to payout all moneys that are not in dispute through out the claims process.

There are no standardized costs in the industry. The cost of replacing a square foot of drywall can vary depending on what the adjuster wants it to be.

Depreciation amounts of items are entirely fudged. There is no standard. It is made up by the adjuster.

If I have an item that has been destroyed by a fire or other catastrophe the value of what the insurance company is willing to pay for it is entirely up to the judgment of the adjuster. The insured has no remedy except to complain.

If the consumer is difficult the insurance company can simply refuse to work on their case all-together. They can simply do nothing and let the insured sit with no money.

The problem is that arbitration carries no punitive action for bad faith dealing.

I have been told by the Michigan Insurance Commission people that there is no statute of limitations. I hope this is true because it would be simple for insurance companies to simply delay until time has run out.

Dealing with an adjuster is often nothing more than a cheap shake down.

Adjusters can and do lie. They can make promises of what will be covered and not keep them. They can tell the insured that if they do a portion of the restoration work they will be paid and then not keep the promise. If the insured is capable of doing the work why should they be forced to hire a contractor? (insurance companies pay contractors 25% over their costs)

Adjusters can and do violate the language of their own insurance policies that they should be working under.

The entire claims settling process needs to be defined by law and much, much more standardized so that adjusters have less latitude.

Insurance agents need to be representing their customers. When they are employed by the insurance company (as is the case with Farm Bureau, my company) they have no ability to take the side of the insured. Farm Bureau has an exclusive agency arrangement where an agent only sells their insurance but does not work directly for them. This gives them the protection of not being liable for their agents but having control over them. The best of both worlds and the insured has no one to turn to.

In an honest world agents would know what the processes would be to force customer service from an insurance company that is not performing. Agents should work for and represent their customers. Most consumers have no idea how to deal with a shady insurance company. Most people have no idea of the claims process and are simply manipulated and screwed over. Who is protecting that segment of the population that doesn't have an MBA?

Landlord Tenant law in Michigan goes all the way to protect the consumer. Landlords do not lobby very well and if they do not do business very carefully they are subject to very severe punitive damages. Perhaps the insurance companies have lobbied too effectively. In any case the entire claims settlement process stinks to high heaven and is entirely broken.

If anyone wishes to meet with me I will be very pleased to present the entire claims settlement process and point out it's inherent problems. I am willing to do this because I feel that trying to make our state and country run better is every citizen's obligation.

Also, I am being abused by an insurance company and I want to see integrity brought into the claims process for all citizens. How nice it would be for Michigan to take leadership here.

William Foster  
Cell 248-770-7785

## RE: Foster - Claim #001-192353A

Thursday, July 2, 2009 9:50 PM

From:

This sender is DomainKeys verified

"patricia foster" <wpfoster2000@yahoo.com>

View contact details

To:

"CynthiaSchultz" <eschult@fbinsmi.com>

Cc:

"patricia foster" <wpfoster2000@yahoo.com>

July 1, 2009

Cindy Schultz:

As I last remember I asked you to recheck your statements because they appeared to be in error. You were supposed to come back to me. Farm Bureau still owes me money on this claim and you know it. Why are you not performing on this claim? What is your status? What is taking you so long? It has been many months since you took over this claim. I think it has been around 6 months or more since you agreed to settle this claim with me.

Bill Foster

--- On Mon, 10/13/08, Schultz, Cynthia <eschult@fbinsmi.com> wrote:

From: Schultz, Cynthia <eschult@fbinsmi.com>

Subject: RE: Foster - Claim #001-192353A

To: "wpfoster2000@yahoo.com" <wpfoster2000@yahoo.com>

Date: Monday, October 13, 2008, 4:02 PM

Hi,

I am sorry that the claim is not settled yet. I am not sure why it is taking so long. I will try to get it settled as soon as possible.

**From:** patricia foster [mailto:wpfoster2000@yahoo.com]

**Sent:** Monday, October 13, 2008 3:55 PM

**To:** Schultz, Cynthia

**Cc:** skirsch@fbinsmi.com

**Subject:** Foster - Claim #001-192353A

Philip Skender  
General Adjuster  
McMartin Wasek Associates  
4763 Old US 23, Suite A  
Brighton, MI 48114

→ Cindy  
Dec 3, 2008

From: William and Patricia Foster  
7203 Lindenmere Dr.  
Bloomfield Hills, MI 48301  
248-851-6845  
[wpfoster2000@yahoo.com](mailto:wpfoster2000@yahoo.com)

Date: Nov 15, 2008

Reference: Policy No. HO 008070222  
Claim No. 001-192353A

Dear Phil Skender:

I have run the numbers and my accounting differs from yours. I have attached two sheets which show my number trail. I believe that I am correct and that my wife and I are due an additional \$16645.51. Please review.

Thanks,



Bill and Pat Foster  
248-851-6845

FILE →

8 Dec 2003

Cindy Schultz  
Farm Bureau Claims Office  
9353 Haggerty Rd.  
P.O. Box 700980  
Plymouth, MI 48170

Date: Dec 8, 2008

Reference Claim #00100000192353A, Inventory list numbers 816 & 817

Policy #HO 8070222 19

Subject: Trying to get this claim finished

Hi Cindy:

The last time we spoke you refused to work with me and instructed me to give Phil Skender, the assigned adjuster, a call and work through him. I did this and he has refused to work with me in any manner. The final statement that he provided is flawed. The agreements we made in our meeting were not included correctly and he totally neglected to include any of the items negotiated from the additional scope of work which was negotiated with him during the meeting.

I have repeatedly told you that this adjuster has intentionally lied to me, he doesn't keep his promises, he can't keep anything straight, and he frankly does a very poor job of adjusting. Additionally, he doesn't communicate and is totally non-responsive. That being the case he is a total loss.

I need you to stop bullying me and work with me in a nice and polite manner to get this done. Phil is not going to be the answer because the capability is simply not there. **I need you to understand that.** At this time the numbers have all been determined but it may not be simple to verify all of them. The number trail may be a bit messy if some documentation is missing.

I faxed you information regarding his last statement which I was asked to sign off on. I furnished you a copy of his statement along with my corrections. Here is another set of copies in case something was missing.

William Foster

*W.F.*

FILE →

2 Dec 2008

Dec 2, 2008

Hi Sally:

As I indicated in our last conversation in November I received a final statement from the adjuster. The numbers were not correct. I sent in a letter specifically identifying the errors and omissions back to the adjuster. I contacted you when a few weeks had passed without a response. You got my adjuster, Phil Skender to finally give me a call. He was angry. He said that he had spent enough time on this case and was not going to do any more. He had contacted Farm Bureau and had the opinion that they were not going to do anything for me either. He said that he did not know where I got my numbers from and that he had made the changes that were agreed upon in the meeting we had with Cindy Schultz. I told him that he had not gotten all of the changes that were made in the meeting incorporated. There were bikes that were replaced which he did get right. However, there were also items that were missed in the original scope of work that he agreed to in the meeting as well as adjustments that Cindy made to increase value of some items other than bikes during our meeting and he did not include any of these. He said that he was going to turn in his final findings to Farm Bureau within the next two weeks and that was the end of his involvement. He was not willing to meet with me.

For what it is worth I have an MBA, I have been a financial analyst for a major corporation and I am fairly good with numbers. I am also a private businessman. I am not a nut and I know this case better than anyone. I need someone from the Farm Bureau side to sit down and work through the numbers with me in a calm and sincere manner. For the most part the numbers are documented. The meeting we had with Cindy did not get documented because she did not provide any minutes so we are in a position of having to compare our notes from the meeting which is has much opportunity for disagreement. I should have had her initial her number changes but I was not that smart. I doubt that she is going to be willing to give this any more of her time as well since she told me to work with the adjuster. That's kind of being between a rock and a hard place. This is a quite simple problem that is being made almost impossible by Farm Bureau's attitude of not working with me. I made major concessions in the meeting we had and now we can't even go forward with that in a straight forward way with what we agreed upon.

If you have any suggestions please let me know. I am still looking for basic customer service from the claims department. Farm Bureau has agreed that they owe me more than \$9000 and it would be a nice gesture if they would pay the uncontested amount as an act of good faith.

Thanks,

Bill Foster



4 Aug 2008

Charles E. McMartin  
Clare A. Wasek

**McMARTIN WASEK**  
**&**  
**ASSOCIATES**

H. Michael Dwan  
Tracey L. Cool

**August 4, 2008**

**William Foster / Patricia Foster**  
**7203 Lindenmere**  
**Bloomfield Hills, MI 48301**

**Re: Farm Bureau Insurance Company, Claim # 001-192353A, File # BW6-12350-F**

Dear Mr. & Mrs. Foster,

As you are aware, I represent the insurance carrier, Farm Bureau Insurance Company in the investigation and adjustment of the above captioned claim. Any action taken by this office or Farm Bureau Insurance Company does not waive or invalidate any of the conditions of the policy.

Enclosed please find a Sworn Statement in Proof of Loss form for the above-captioned claim. Please have this form signed and notarized and returned to our office at your earliest convenience. Also enclosed is a Statement of Loss form, which summarized your claim, for your records. If you should have any questions, please feel free to contact me at the number listed above.

Sincerely,

***Phil Skender***

Phil Skender  
General Adjuster  
McMartin, Wasek & Associates, Inc.  
Brighton, Michigan

PS/pw

Enclosures: Sworn Statement in Proof of Loss  
Statement of Loss.



Cindy

## SWORN STATEMENT IN PROOF OF LOSS

Claim No 001-192353A Policy Number: HO 8070222 19

Effective Date: 4/2/2005

Expiration Date: 4/2/2006

Type of Property

Policy HO Insured 7203 Lindenmere, Bloomfield Hills, MI 48301 Amount (Building) \$ 462,000.00

TO: Farm Bureau Insurance Company

By the above policy of insurance, you insure:

**William Foster / Patricia Foster** (hereinafter called insured).

(Name of Insured)

A **FIRE** Loss occurred **012/14/2005** about the hour of

AM PM

(Peril)

Which loss upon best knowledge and belief of insured was caused by **a fire started in trashcan.**

(Origin)

The Interest of the Insured in the described property was **Residence.**

Others having interest in the described property at the time of loss either as mortgagee, lienholder, or otherwise were: **None.**

Since the above policy was issued there has been no change in title, use or possession of said property except: **None.**

THE TOTAL INSURANCE covering the described property including this policy and all other policies (whether valid or not),

binders, or agreements to Insure was at time of said loss ..... (Building) ..... \$ **\$462,000.00**

THE REPLACEMENT COST of the described property at time of loss was (\$ ..... \$ ..... ) ..... \$  
Building Contents

THE ACTUAL CASH VALUE of the described property at time of loss was (\$ ..... \$ ..... ) ..... \$  
Building Contents

THE ACTUAL LOSS AND DAMAGE to the described property as a result of said loss was  
(Building \$ 167,100.19 Contents \$ 90,481.24 Add. Living Expense 10,472.47 ) ..... \$ **268,053.90**

LESS AMOUNT OF DEDUCTIBLE ..... \$ **1,000.00**

INSURED HEREBY CLAIMS OF THIS COMPANY ( \* ) under this policy the sum of ..... \$ **267,053.90**

\* Subject to Supplemental Claim, if applicable, to be filed in accordance with the terms and conditions of the Replacement Cost Coverage under the above described policy within \_\_\_\_\_ days from the date of loss as shown above.

THE FULL COST OF REPAIR OR REPLACEMENT IS (\$ ..... \$ ..... ) ..... \$ **267,053.90**  
Building Contents

MAXIMUM AMOUNT OF SUPPLEMENTAL CLAIM under the Replacement Cost Coverage  
of the above described policy is ..... \$ **n/a**

The Insured hereby, assigns, transfers, and sets over to said Company any and all claims or causes of action of whatsoever kind and nature which the Insured now has, or may hereafter have, to recover against any persons as the result of said occurrence and loss above described, to the extent of the payment above made; the insured agrees that said Company may enforce the same in such manner as shall be necessary or appropriate for the use and benefit of said Company, either in its own name or in the name of the insured; that the Insured will furnish such papers, information, or evidence as shall be within the insured's possession or control for the purpose of enforcing such claim, demand, or cause of action; and the insured covenants that no release or settlement of any such claim demand, or cause of action has been made.

The said loss was not caused by design or procurement on the part of the Insured or this affiant; nothing has been done by or with the privity or consent of Insured or this affiant, to violate the conditions of the policy, or render it void, no articles are mentioned herein or in annexed schedules but such as were interested in the loss and Insured under this policy, and belonged to the Insured at the time of said loss, no property saved has been in any manner concealed, and no attempt to deceive the said Insurer as to the extent of said loss, has in any manner been made. Any other information that may be required will be furnished on call, and considered a part of this proof.

It is expressly understood and agreed that the furnishing of this blank to the Insured or the assistance of any adjuster, or any agent of the Insurer in the making of this proof, is not a waiver of any rights of said Insurer or of any of the conditions of this policy.

**DESCRIPTION  
DATE OF LOSS  
POLICY NO.  
BUILDING**

**William Foster  
7203 Lindenmere  
12/14/2005  
BW6-12350-F**

**Bloomfield Hills, MI 48301**

**VALUE LOSS CLAIM**

Estimated Replacement Cost:	\$ 161,717.63			
Less Depreciation				
Actual Cash Value	\$	\$		
<b>Loss as Determined</b>				
Before, Emergency services-pd	\$ 5,146.35			
Lansdowne Emergency services-pd	\$ 4,831.62			
Lansdowne, ACV Structure-pd	\$ 127,282.02			
Replacement of Gas meter-pd	\$ 871.52			
Repair of air conditioning-pd	\$ 870.00			
Holdback in depreciation-pd	\$ 22,716.12			
Additional Repairs-ck issued	\$ 4,882.56			
Agreed additional	\$ 500.00			
Actual Cash Value Loss	\$ 167,100.19		\$ 167,100.19	
Less Deductible	\$ (1,000.00)			
Claim	\$ 166,100.19			\$ 166,100.19
<b>CONTENTS</b>				
Estimated Replacement Cost	\$ 43,236.63			
Estimated Value	\$ 27,728.49			
<b>Loss as Determined</b>				
Advance-pd	\$ 5,000.00			
Clothing cleaning - Huntington-pd	\$ 1,557.35			
Contents payment to Coachs per FB-pd	\$ 23,872.87			
Contents restoration - Coachs-pd	\$ 23,251.21			
Content cleaning - Huntington-pd	\$ 9,064.80			
Contents payment-pd	\$ 2,159.13			
Additional ACV agreed to	\$ 9,168.88			
Replacement Cost Bikes	\$ 1,407.00			
ACV of total loss advance-pd	\$ 15,000.00			
Actual Cash Value	\$ 90,481.24		\$ 90,481.24	
Less Deductible				
ACV Claim	\$ 90,481.24			\$ 90,481.24
<b>ADDITIONAL LIVING EXPENSE</b>				
Loss of Use-pd	\$ 7,075.05			
Loss of Use-pd	\$ 2,254.02			
Energy usage-pd	\$ 571.70			
Dec Jan & Feb energy usage-pd	\$ 571.70			
ALE to Date	\$ 10,472.47		\$ 10,472.47	\$ 10,472.47
<b>Total Value, Loss, Claim.</b>		\$ -	\$ 268,053.90	\$ 267,053.90

Coverage	Policy Limit	Claim	Paid	Outstanding
Building	\$ 462,000.00	\$ 166,100.19	\$ 165,600.19	\$ 500.00
Structures	\$ 46,200.00		\$ -	\$ -
Contents	\$ 323,400.00	\$ 90,481.24	\$ 79,905.36	\$ 10,575.88
Debris Removal @ 5%	\$ 23,100.00			
ALE	12 Months	\$ 10,472.47	\$ 10,472.47	\$ -
<b>Claim Summary</b>		<b>Total Claim</b>	<b>\$ 267,053.90</b>	
		<b>Total Paid</b>	<b>\$ 255,978.02</b>	
		<b>Total Outstanding</b>		<b>\$ 11,075.88</b>

DATE & TYPE	Building	Structures	Contents	ALE
Agency services	\$ 5,146.35			
Emergency services	\$ 4,831.62			
Downe ACV - Structure	\$ 126,282.02			
Replacement of Gas meter	\$ 871.52			
Installation of air conditioning	\$ 870.00			
Home back in depreciation	\$ 22,716.12			
Advance			\$ 5,000.00	
Huntington, clothing cleaning.			\$ 1,557.35	
Content restoration to Coachs, per FB			\$ 23,872.87	
Content restoration, Coachs			\$ 23,251.21	
Content cleaning			\$ 9,064.80	
Content payment.			\$ 2,159.13	
Contents - ACV advance			\$ 15,000.00	
Loss of Use				\$ 7,075.05
Loss of Use				\$ 2,254.02
Energy usage				\$ 571.70
Dec Jan & Feb energy usage				\$ 571.70
Final	\$ 4,882.56			
<b>Total Issued to Date</b>	<b>\$ 165,600.19</b>	<b>\$ -</b>	<b>\$ 79,905.36</b>	<b>\$ 10,472.47</b>

Phil Skender  
810-229-7860